

Dealing with Customer Complaints

By Ronen Shefer, CPA



Statistics vary, but for every customer who makes a complaint, you are likely to have between twenty and thirty dissatisfied customers who say nothing. Or at least, they say nothing to you, but they're happy to tell other people. In fact, customers are likely to tell between eight and ten people when they are dissatisfied. Each of these is likely to pass the word on to several others. The size of the ripple effect can vary, but the general picture remains the same: **expressed complaints may only be the tip of the iceberg.**

There are positives to receiving expressed complaints. They can be used to improve your business processes by encouraging people to talk TO you rather than ABOUT you, and if you handle customer complaints well, they can help you improve customer loyalty. You might even turn dissatisfied customers into goodwill ambassadors for your business.

Get the Right People for Customer Service

It's tough to deal with dissatisfied customers on a regular basis. You will need to recruit good people to do this job. They need to be good problem solvers, stay cool in stressful situations, be able to master processes, and be personally suited for helping people and resolving issues. Even when team members have a natural aptitude for dealing with difficult situations, it is still important that they attend regular workshops relating to customer service. These workshops can help them refine the personal skills needed to deal with sometimes bothersome customers.

Empower Your Team

After you have trained your team members, give them the power to use their personal judgment. If a team member can resolve a problem immediately, they can save you time and money. Reassure team members that you will not use complaints to blame individuals. Rather, you are looking for ways to improve processes. Enlist team member support by encouraging them to show initiative. Empowering team members can improve morale and decrease turnover.

Handling Complaints

After you invite customers to come forward with complaints, you need to train your team so that complaints will be handled correctly. If complaints are handled incorrectly, it may infuriate the customer. For example, customers are not likely to come forward with a second complaint if employees make excuses, are rude, exhibit any hostile body language, interrogate the customer, give customers the runaround, or pass the buck. When replying to a complaint, the authors of *A Complaint Is a Gift* (Janelle Barlow and Claus Moller, Berrett-Koehler Publishers, San Francisco, 1996) recommend an eight-step process for handling complaints. (1) Thank the customer. (2) Say why you appreciate the customer

feedback. (3) Apologize as soon as you understand the nature of the problem (don't apologize beforehand, as this can look insincere). (4) Affirm that the complaint will be resolved to their satisfaction. (5) Ask for information to solve the problem. (6) Take immediate action. Speedy resolution of a problem is one of the best ways to retain customer loyalty. (7) Check to see if the customer is satisfied - even if this requires follow-up action. (8) Take action to prevent recurrence of the problem and make appropriate changes to your products or your procedures.

In conclusion, customers are effectively doing you a favor when they complain. They are often going out of their way to tell you about a problem which other customers may also have, but don't tell you. When customers complain, it means they have enough faith in your company to believe you will deal with them in a fair and sensitive way. If you respond well to complaints, you will reinforce respect. If you exceed a customer's expectations, you may build a stronger bond with them. Overall, customer complaints are a valuable source of business information. Use them well, and they will help build your business.

Ronen Shefer, CPA, is the founder of RS Business Consulting, LLC, a firm dedicated to helping companies achieve greatness. Ronen is a consultant and facilitator to small and medium size companies in the areas of strategic planning, business development, profit and operational improvement. He can be reached at 616-575-9210, or rshefer@sbcglobal.net